

WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW

1022 CALHOUN STREET (SUITE 302)

P.O. BOX 8416

COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
ELIZABETH ZECK*
PAIGE J. GOSSETT
RANDOLPH R. LOWELL

*ALSO ADMITTED IN TX

July 1, 2002

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7/2/02
REGINALD I. LLOYD
SPECIAL COUNSEL

VIA HAND DELIVERY

The Honorable Gary E. Walsh
Executive Director
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RE: Application For Transfer of Assets by
Utilities Services of South Carolina, Inc.
Docket No. 2002-124-W/S

Dear Mr. Walsh:

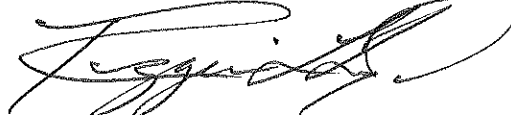
Enclosed for filing are the original and eleven copies of the Direct Testimony of Carl Daniel, with a faxed copy of his signed verification. Copies of Mr. Daniel's Direct Testimony, without a verification, were filed on Friday, June 28, 2002. We will file a copy of the original signature of Mr. Daniel immediately upon receipt. I would appreciate your filing the original and ten copies of each and returning one clocked-in copy of each via our courier.

If you have any questions, please do not hesitate to call me.

With kind regards, I am

Very truly yours,

WILLOUGHBY & HOEFER, P.A.



Reginald I. Lloyd

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BEFORE

2007 JUL -1 PM 3:49

THE PUBLIC SERVICE COMMISSION OF

SC PUBLIC SERVICE
COMMISSION

SOUTH CAROLINA

DOCKET NO. 2002-124-W/S

RE: Application of Utilities Services of)
South Carolina, Inc.)

For Approval of the Transfer of the Water)
And Sewer Facilities, Territory, and)
Certificates Of Utilities of S.C., Inc.)
and S.C. Water and Sewer, LLC)

**DIRECT TESTIMONY
OF
CARL DANIEL**

1 **Q. Would you please state your name and business address?**

2 **A.** My name is Carl Daniel, and my business address is 5701 Westpark Drive, Suite 101,
3 Charlotte, NC 28217.

4 **Q. What is your current position of employment?**

5 **A.** I am Group Vice President and Regional Director of Operations for Carolina Water Service,
6 Inc., with oversight authority for the following wholly-owned subsidiaries of Utilities, Inc.:
7 United Utility Companies, Inc., Carolina Water Service, Inc., Tega Cay Water Services, Inc.,
8 South Carolina Utilities, Inc., and Southland Utility Company, Inc. As Group Vice President
9 and Regional Director of Operations, I will have the oversight responsibility for the Applicant,
10 Utilities Services of South Carolina, Inc.

11 **Q. How long have you been employed in the water and wastewater industries?**

12 **A.** Approximately 28 years.

13 **Q. What is your educational and professional background?**

1 **A.** I hold a Bachelor's Degree in Business Administration from Pfeiffer University in North
2 Carolina. Throughout my career, I have held the positions of Operator, Operating Manager,
3 Area Manager, Regional Director, and Vice President. During that time, I have both operated
4 and managed water supply systems and wastewater treatment facilities. Also, I have overseen
5 the completion of major capital improvements and have been the Company spokesperson with
6 regard to health, environment, and utility regulations in several states.

7 **Q.** **What are your duties with Carolina Water Service, Inc.?**

8 **A.** I am responsible for making sure our customers receive the best possible service. As such,
9 I am responsible for all operating personnel, facilities, maintenance and capital projects. In
10 addition, I am responsible for communications with state and federal regulators, including
11 state utility commissions, regarding environmental and drinking water standards as well as
12 other operational issues.

13 **Q.** **Would you describe your experience in testifying before state utility commissions**
14 **regarding rate cases?**

15 **A.** Yes. I have testified before the commissions in North Carolina, South Carolina, Maryland,
16 and Virginia.

17 **Q.** **Mr. Daniel, what is the purpose of your testimony in this proceeding?**

18 **A.** The purpose of my testimony is to provide the Commission with a brief overview of the
19 corporate entity purchasing the affected systems and an overview of Utilities, Inc.'s South
20 Carolina operations, including our continued efforts to provide our customers with the best
21 possible water and sewer utility service. Further, I am providing the Commission with
22 testimony in support of the Application for Transfer of the assets of Utilities of South

1 **Q. Are you familiar with the Agreements by which the assets of Utilities of South Carolina,**
2 **Inc. and South Carolina Water and Sewer, LLC are to be acquired by Utilities Services**
3 **of South Carolina, Inc.?**

4 **A.** Yes. Those agreements provide for the transfer of the assets of the two companies affiliated
5 with U.S. Utilities. Those separate agreements have been filed with the Commission, along
6 with all accompanying schedules and amendments to the agreements.

7 **Q. Does Utilities, Inc. and the Applicant still support the approval of those Agreements by**
8 **the Commission, as well as the approval of this Application?**

9 **A.** Yes. Utilities, Inc. believes that it is in the best interests of the affected customers and the
10 public interest that the Commission approve the transfer of these systems to Utilities Services
11 of South Carolina, Inc. We believe that the Applicant, as a part of Utilities, Inc., will be able
12 to provide long-term stable service to the affected customers. Utilities, Inc. has been in the
13 utility business for more than thirty years and currently provides water and/or wastewater
14 services to approximately 243,000 customers in 16 states. Our experience and knowledge
15 in the utility business is among the most extensive and we have a strong existing presence in
16 South Carolina that will benefit the affected customers of these systems. In sum, we believe
17 that it will be in the best interests of the customers of these systems for the Commission to
18 approve this Application for transfer of systems in order for those customers to receive safe
19 and reliable water and wastewater services.

20 **Q. Is Utilities Services of South Carolina seeking to acquire these systems under the**
21 **current rate structure?**

1 **A.** Yes. The Application seeks the Commission's approval of the transfer of these systems under
2 the current and existing rate schedules, as approved by the South Carolina Public Service
3 Commission.

4 **Q.** **Does this conclude your testimony?**

5 **A.** Yes.

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SC PUBLIC SERVICE
COMMISSION

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

RE: Application of Utilities Services of)
South Carolina, Inc.)

VERIFICATION

For Approval of the Transfer of the Water)
And Sewer Facilities, Territory, and)
Certificates Of Utilities of S.C., Inc.)
and S.C. Water and Sewer, LLC)

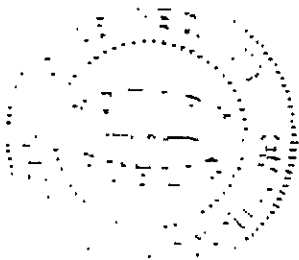
Docket No. 2002-124-W/S

PERSONALLY APPEARED BEFORE ME, Carl Daniel, who being duly sworn,
deposes and says:

That he is the Group Vice President and Regional Director of Operations for United Utility Companies, Inc., a wholly-owned subsidiary of Utilities, Inc. and, in that capacity is authorized to sign this verification on behalf of Utilities Services of South Carolina, Inc., the Applicant in the above-captioned matter. Utilities Services of South Carolina, Inc. is a wholly-owned subsidiary of Utilities, Inc. and will be the company receiving the transferred assets, if approved, that are the subject of the above-captioned matter.

That he has read the foregoing Direct Testimony of Carl Daniel and that the matters stated therein are true of his own knowledge, unless stated to be upon information and belief, and as to

those he believes them to be true.




CARL DANIEL

SWORN TO AND SUBSCRIBED BEFORE ME

THIS 15TH DAY OF JULY, 2002.

Christine D. Hunt
Notary Public for South Carolina

My Commission Expires: SEPTEMBER 26, 2004